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April 28, 2003

The Honorable Sara Kyle
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Application of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. for an Adjustment of its Rates and Charges, the Approval of Revised Tariffs and the Approval of Revised Service Regulations
Docket No. 03- 0300313

Dear Chairman Kyle:

Pursuant to T.C.A. § 65-5-203, I am enclosing in the above-captioned proceeding, the original and 13 copies of the following documents on behalf of Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc. requesting an adjustment to its rates and charges, approval of revised tariffs and approval of revised service regulations effective November 1, 2003:

1. Petition of Nashville Gas Company;
2. Testimony of Thomas E. Skains;
3. Testimony and Exhibits of Bill R. Morris;
4. Testimony and Exhibits of Chuck W. Fleenor;
5. Testimony and Exhibits of David Carpenter; and
6. Testimony and Exhibits of Donald A. Murry, Ph.D.

I am also enclosing six copies of the responses to the filing guidelines supporting the foregoing testimony and exhibits and a check in the amount of \$25.00 in payment of the filing fee.

The Honorable Sara Kyle
April 28, 2003
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Please accept the enclosed for filing and return the additional file-stamped copy to me in the enclosed envelope.

Sincerely,

James H. Jeffries IV
James H. Jeffries IV *by BLM*

JHJ/srl

Enclosures

c: Mr. Russell Perkins, Consumer Advocate
Mr. R. Dale Grimes

Nashville, Tennessee

T.R.A. DOCKET ROOM

Application of Nashville Gas Company, a
Division of Piedmont Natural Gas Company,
Inc. for an Adjustment of its Rates and Charges,
For Approval of Revised Tariffs and Approval
of Revised Service Regulations

Petition

Pursuant to Section 65-5-203 of the Tennessee Code Annotated and the rules and regulations of the Tennessee Regulatory Authority (Authority), Nashville Gas Company (Nashville Gas), a division of Piedmont Natural Gas Company, Inc. (Piedmont), hereby applies (1) for authority to adjust its rates and charges for natural gas service for the purposes of obtaining a general increase in its rates, (2) for approval of revised tariffs, and (3) for approval of revised service regulations. In support of this petition, Nashville Gas respectfully shows:

1. Piedmont is incorporated under the laws of the State of North Carolina and is engaged in the business of transporting, distributing and selling gas in the States of Tennessee, North Carolina and South Carolina. Piedmont's principal office and place of business is located at 1915 Rexford Road, Charlotte, North Carolina.

2. Piedmont conducts its natural gas distribution business in the State of Tennessee through its operating division, Nashville Gas. Nashville Gas' natural gas distribution business is subject to regulation and supervision by the Authority pursuant to Chapter 44 of Title 65 of the Tennessee Code Annotated.

3. Nashville Gas has its principal offices at 665 Mainstream Drive, Nashville Tennessee, and it is engaged in the business of furnishing natural gas to customers located in Davidson County and portions of the adjoining counties of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson and in certain incorporated towns and cities located therein.

Request for General Rate Increase

4. Nashville Gas' existing rates for natural gas service are not adequate to permit it to earn a fair and reasonable return on its investment. If Nashville Gas is (a) to maintain its facilities and services in accordance with the reasonable requirements of its customers in its service area, (b) to compete in the market for capital funds on terms which are reasonable and which are fair to its customers and to its existing investors, and (c) to produce a fair profit for its stockholders, it must be granted a general increase in its rates.

5. As shown in the exhibits filed with this petition, Nashville Gas will be able to earn an overall return of only 6.0% during the attrition period (12 months ending October 31, 2004). Such rate of return is not fair and reasonable and is confiscatory under Article I, Section 8 of the Constitution of Tennessee and the 14th Amendment of the Constitution of the United States.

6. Nashville Gas' inability to earn a fair and reasonable return on its investment results from a number of factors, including the following:

- a. Since its rates were last increased, Nashville Gas has invested \$74.6 million in new plant and facilities to serve its customers, including an increase of over 10,000 customers since that date.
- b. Since its rates were last increased, Nashville Gas has been required to acquire additional capital to enable it to improve and extend its natural gas services to its customers.
- c. Since its rates were last increased, Nashville Gas' expenses have increased because of the need to offer improved and expanded service to new and existing customers.

7. Additional reasons supporting Nashville Gas' request for a general rate increase are set forth in the testimony and exhibits of witnesses being filed with this petition, all of which testimony and exhibits are incorporated herein.

8. The proposed rates for which Nashville Gas seeks approval are set forth in Exhibit ____ (CWF-2) and are incorporated herein.

Request for Approval of Revised Tariffs and Service Regulations

9. Nashville Gas is seeking approval of certain changes to its service regulations and to the language of its tariffs as set forth in the testimony and exhibits of witnesses being filed with this petition, all of which testimony and exhibits are incorporated herein.

Supporting Documentation

10. In further support of this petition, Nashville Gas is filing herewith the following:

- a. Testimony of Thomas E. Skains, President and Chief Executive Officer of Piedmont Natural Gas Company, Inc.;
- b. Testimony and exhibits of Chuck Fleenor, Vice President of Planning and Rates of Piedmont Natural Gas Company;
- c. Testimony and exhibits of Bill R. Morris, Director of Corporate Planning and Corporate Development of Piedmont Natural Gas Company;
- d. Testimony and exhibits of David Carpenter, Director of Rates of Piedmont Natural Gas Company;
- e. Testimony and exhibits of Donald A. Murry, Economist with C.H. Guernsey & Company, Oklahoma City, Oklahoma; and
- f. Workpapers and other documents supporting the above-referenced exhibits.

Notices

11. It is respectfully requested that any notice or other communications with respect to this Petition be sent to:

Thomas E. Skains
President and Chief Executive Officer
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233

R. Dale Grimes
Bass, Berry & Sims
2700 First American Center
Nashville, Tennessee 37238

Jerry W. Amos
Nelson Mullins Riley & Scarborough, L.L.P.
Bank of America Corporate Center, Suite 2400
100 N. Tryon Street
Charlotte, North Carolina, 28202-4000

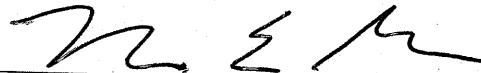
Prayer for Relief

Wherefore, it is respectfully requested that the Authority (1) set this application for hearing at an early date, (2) cause notice to be issued as required, (3) find that Nashville Gas' existing tariffs and rates are inadequate and that the proposed tariffs attached hereto as Exhibit__ (BRM-2) and rates attached hereto as Exhibit __ (CWF-2) are fair, just and reasonable and in the public interest and permit them to become effective on November 1, 2003 or as soon thereafter as lawfully permitted, (4) approve the requested changes to Nashville Gas' revised tariffs and service regulations, and (5) grant such other relief as may be required in light of the evidence to be produced at the hearing of this cause.

This the 25th day of April, 2003.

Piedmont Natural Gas Company, Inc.

By: _____



Thomas E. Skains, President and CEO